



May 21, 2010

Tax Consultant Ordered to Stop Illegal Work

Allen R. Davison of Overland Park is a tax consultant who was barred from offering illegal tax schemes by US Federal judge Gary A. Fenner in Kansas City. The judge also subjected Davison's future work to federal review.

Davison was also ordered to furnish the IRS with a list of all his clients for the last 5 years and to provide each client with a copy of the judge's 31-page order. In his order, judge Fenner stated that there was 'overwhelming evidence that Davison has long engaged in serious misconduct' and that 'the harm caused by Davison's actions is enormous'. This order was made in response to the civil lawsuit the government brought against Davison in 2008.

It took the IRS almost 7 years and a 'staggering' amount of resources, man hours, hundreds of returns over many tax years and dozens of agents to uncover Davison's nefarious schemes. According to judge Fenner, these schemes promoted 'unlawful tax arrangements that involved sham companies, bogus deductions and fabricated documents' for almost 15 years. Among them were contracts involving baby chicks and egg-laying hens where Davison advised the lenders to claim for farmers' tax deductions when in fact the transactions were actually loan agreements. The judge reasoned that for Davison to advise these lenders they could claim tax benefits as farmers was tantamount to a bank calling itself a farmer just because it lends money to finance farming businesses.

Another instance of fraudulent scheming was when Davison advised one of his clients that they could claim tax credits for making their business more accessible in accordance with the Americans with Disabilities Act just because they wrote a check for \$11,000 in the name of his company, Handicapped Assistance Business Directory.

In the lawsuit, the IRS sought to permanently ban Davison from giving tax advice or services. This was rejected by the judge as it would violate Davison's right to engage in non-commercial free speech and thus contravene the First Amendment.

In lieu of that, judge Fenner ordered that Davison be barred from offering illegal tax services and advice and that his work should be scrutinized by the IRS. The process of scrutiny involves providing the IRS with a detailed explanation of the financial or tax advice or services he offers his clients. This has to be signed and verified by both Davison and the clients. Furthermore, the advice or service can only be implemented after 30 days, during which the IRS conducts the review. In addition, the IRS is also allowed to review it after the 30 days.

Darrin T. Mish is a veteran, nationally recognized tax attorney who has focused on providing IRS help to taxpayers for over a decade. He regularly travels the country training other attorneys, CPAs and enrolled agents on how to handle their toughest cases with the IRS. He is highly ranked among the top attorneys in the country, with an AV rating from Martindale-Hubbell and a perfect 10 on Avvo.com. Martindale-Hubbell has also honored him with a listing in their Bar Register of Preeminent Lawyers. He is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. With clients on every continent but Antarctica, he has what it takes to solve your IRS problems no matter where you live in the world. If you would like more information about his practice and how he can help you, please call his office at (813) 229-7100 or toll free at 1-888-GET-MISH.